

# MINUTES

## Bonding Committee



Representative G. Mark Mickelson, Chair  
Senator Brock L. Greenfield, Vice Chair  
Representative Spencer Hawley, Ranking Minority Member

**First and Final Meeting, 2017 Interim  
Monday, November 13, 2017**

**Room 413 – State Capitol  
Pierre, South Dakota**

The first and final meeting of the Bonding Committee was called to order by Senator Brock Greenfield, Vice Chair, at 4:50 p.m. (CT) on November 13, 2017, in Room 413 of the State Capitol, Pierre, South Dakota. A quorum was determined with the following members answering roll call: Representatives Spencer Gosch, Steven Haugaard, Tim Reed, Mike Stevens, and Craig Tieszen; Senators Jim Bolin, R. Blake Curd (via phone), Jeff Partridge (via phone), and Jim Stalzer; Representative Spencer Hawley, Ranking Minority Member; and Senator Brock L. Greenfield, Vice Chair. Excused: Representatives Lee Qualm and Mark Mickelson; Senators Kris Langer and Billie Sutton.

Staff members present included Lucas Martin, Fiscal Analyst; and Cindy Tryon, Senior Legislative Secretary.

*NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was web cast live. The archived web cast is available at the LRC web site at <http://sdlegislature.gov>.*

### **Reception of Annual Reports**

#### **South Dakota Housing Development Authority (SDHDA)**

Mr. Mark Lauseng, Executive Director, South Dakota Housing Development Authority, presented the [Authority's audited financial statements](#) as of June 30, 2017; [FY17 Annual Report](#); [FY17 SD Housing Opportunity Fund Annual Report](#); and an [informational memo](#).

Since last year's report, SDHDA has issued \$386.9 million in bonds to support the First-Time Homebuyer Program, and more than \$315 million was loaned to 2,273 first-time homebuyer families in South Dakota. Interest rates currently range from 3.25% to 4.875%.

During FY17, \$1.2 million was allocated to the SD Housing Opportunity Fund which will result in 157 families or individuals benefiting from this program.

During FY17, 94 Governor's Houses were sold, bringing the total number of homes to 2,573 since the program's inception in 1996.

#### **South Dakota Conservancy District**

Mr. Mike Perkovich, Program Administrator, Water and Waste Water Funding Program, Department of Environment and Natural Resources, presented the [South Dakota Conservancy District Report](#).

This program oversees the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund, and, as of June 30, 2017, has entered into 727 binding State Revolving Fund commitments totaling \$1.25 billion.

US Bank was selected as the new trustee for the South Dakota Conservancy District taking effect in April of 2017.

### **South Dakota Value Added Finance Authority**

**Ms. Terri LaBrie, Finance Director, Department of Agriculture**, presented the [South Dakota Value Added Finance Authority \(VAFA\) annual report](#). VAFA was created in 1995 to administer the Beginning Farmer Bond and Agribusiness Bonding Programs and make recommendations to the Legislature and the Governor on programs to develop and promote agricultural processing activity in South Dakota.

The Value Added Finance Authority issued five new Beginning Farmer Bonds and one refunding bond in FY17. The Authority closed two Value Added Agribusiness Relending Program loans totaling \$302,500. The Authority also commissioned two studies with Value Added Sub Funds for \$100,000, and a dairy processor study for up to \$25,000.

### **South Dakota Economic Development Finance Authority**

**Ms. Cassie Stoeser, Director of Finance, Governor's Office of Economic Development**, presented the [Economic Development Finance Authority \(EDFA\) Annual Financial Report](#). Total assets of the Authority decreased \$704,088 (or 3.63%) primarily due to the payoff of the Rural Economic and Community Development loan for the year ending June 30, 2017. Total liabilities of the Authority decreased by \$737,944 (or 7.06%) primarily due to the decrease in bonds payable and the payoff of the Rural Economic and Community Development loan for the year ending June 30, 2017. No new bond issuances or early redemptions of bonds occurred in the year ending June 30, 2017.

**Representative Jim Bolin** asked if any new loans are anticipated, as there were no loans this past fiscal year. Ms. Stoeser said this loan program is a valuable tool in the Economic Development toolbox and several companies are considering these loans at this time.

### **South Dakota Building Authority**

**Mr. Don Templeton, Executive Secretary, South Dakota Building Authority**, presented the [SD Building Authority report](#), giving an update on each of the projects started in past years. New projects financed in 2017, are an addition to the Animal Disease Research & Diagnostics Lab; an addition to the Performing Arts Center at SDSU; and refunding the Series 2008 Custer State Park Bonds.

### **South Dakota Health and Educational Facilities Authority**

**Mr. Don Templeton, Executive Director, South Dakota Health and Educational Facilities Authority**, presented the [SD Health and Educational Facilities Authority report](#) for FY17. New projects financed in 2017 are the Prairie Lakes Healthcare System, Westhills Village Retirement Center, Regional Health System, Avera Health, and LifeScape. Mr. Templeton updated the committee on all the projects and the estimated savings.

**A MOTION WAS MADE BY REPRESENTATIVE STEVENS, SECONDED BY REPRESENTATIVE REED, THAT THE BONDING COMMITTEE RECEIVE AND ACCEPT THE SOUTH DAKOTA BONDING AUTHORITY REPORTS AS PRESENTED. The motion prevailed on a roll call vote with 10 voting AYE, 5 EXCUSED. Those voting AYE: Gosch, Haugaard, Reed, Stevens, Tieszen, Bolin, Curd, Stalzer, Hawley, Greenfield. Those EXCUSED: Qualm, Langer, Partridge, Sutton, Mickelson.**

### **Adjournment**

**A MOTION WAS MADE BY REPRESENTATIVE GOSCH, SECONDED BY REPRESENTATIVE HAUGAARD, THAT THE BONDING COMMITTEE BE ADJOURNED. The motion prevailed on a voice vote.**

The Board adjourned at 5:25 p.m.